

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION BUILDING
100 NORTH UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
January 31, 2003

MEMBERS PRESENT:

Mr. Chester Mallory
Mrs. Jane Mardis
Mr. Ronald Parker (arrived at 10:10 a.m.)
Mr. Wilder Cheney
Mr. Steve Martin
Mr. Otis Stewart, Jr.
Mr. Gary Carter (arrived at 9:45 a.m.)
Mr. Mandell Tillman

MEMBERS ABSENT:

Mr. R.L. Farmer, Jr.

OTHERS PRESENT:

Mr. J.W. Holland, Jr.
Mrs. Lisa Brooks
Ms. Neva Conway

- 1.0 With quorum present Mrs. Mardis, Vice-Chairman called the meeting to order at 9:10 a.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3rd. Floor Conference Room, Montgomery, Alabama.
- 1.1 The meeting was opened with prayer by Mr. Martin and then the Pledge of Allegiance.
- 2.0 Members present were Mr. Wilder Cheney, Mr. Ronald Parker (arriving at 10:10 a.m.), Mrs. Jane Mardis, Mr. Chester Mallory, Mr. Otis Stewart, Jr., Mr. Mandell Tillman, Mr. Gary Carter and Mr. Steve Martin. Member absent were Mr. R.L. Farmer, Jr. At this time the members welcomed new appointed Board member Mr. Frederick Crochen from the Birmingham area. He has been appointed to replace Mr. Ronald Parker whose term has expired. The Senate has not yet confirmed Mr. Crochen.
- 3.0 On motion by Mr. Mallory and second by Mr. Cheney the regular minutes for November 14, 2002 were approved as written. All in favor, motion carried.
- 3.2 Ms. Conway discussed the appeal to the Circuit Court on the Christopher Smith's application for the Licensed Real Property Appraiser classification. The Court found that the Alabama Real Estate Appraisers Board did not have ground to

deny Mr. Smith the opportunity to sit for the Licensed Real Property Appraiser test based on our Law and Administrative Code. Ms. Conway stated that included in the Board books was an Emergency Rule to amend our Administrative Code. On motion by Mr. Cheney and second by Mr. Tillman the Board voted to accept Mr. Smith's Licensed Real Property application and approve him to sit for that test. All in favor, motion carried.

Ms. Conway informed the Board that the Mark Bryant hearing would be held on February 21, 2003 before the Board and the Administrative Law Judge at 10:00 a.m.

Ms. Conway informed the Board that the hearing on Mr. Fred Miles has been continued by the Administrative Law Judge and has not been reset. Ms. Conway also informed the Board that negotiations between our office and Mr. Miles are ongoing.

Ms. Conway informed the Board that Ms. Denise Hall has appealed her case decision to the Circuit Court in Baldwin County through attorney Greg Albritton.

Ms. Conway included in the Board books as information a letter from Mr. Greg Albritton regarding his clients Mr. William Brasher and Mr. Marcus Herring.

Ms. Conway informed the Board that Ms. Cathy Morris's request for a continuance of her disciplinary hearing has been granted by the Administrative Law Judge and has been reset for March 20, 2003.

Ms. Conway referenced a Summons on AB-02-48 for the Board to decide whether this case should be heard by the Board or the Administrative Law Judge. The Board decided this case could be heard before the Administrative Law Judge if the Licensee agreed.

Ms. Conway informed the Board that Mr. Richard Israel through his attorney has appealed his case decision and has asked for a Stay of imposition. Ms. Conway asked the Board to vote on whether they would approve or deny his request for a Stay. On motion by Mr. Tillman and second by Mr. Cheney the request for a Stay was approved. All in favor, motion carried.

4.0 Ms. Conway gave the Board the proposed rule change to Administrative Code 780-X-9 for Final Adoption. On motion by Mr. Mallory and second by Mr. Martin the Board voted to accept the final adoption of 780-X-9. All in favor, motion carried.

Ms. Conway gave the Board a copy of the Proposed Bill that will be presented to the Legislature. The Board discussed at length and made a few changes. On motion by Mr. Martin and second by Mr. Parker the Board voted to accept the changes to this Bill. All in favor, motion carried.

At 10:45 a.m. the Board went into Executive Session to discuss good name and character.

At 11:05 a.m. the Board returned to Regular Session. On motion by Mr. Martin and second by Mr. Cheney it is the Board's opinion that in the matter of Executive Secretary, Lisa Brooks, she is not prohibited from accepting outside employment with the Appraisal Institute and/or any other appraisal organization. Board approval is contingent upon the ongoing determination by the Executive Director that there is no conflict of interest. By a unanimous vote, all in favor, motion carried.

Mr. Parker took over the meeting at 11:10 a.m.

- 5.0 On motion by Mr. Carter and second by Mr. Cheney the following applications were voted on as listed. All in favor, motion carried.
- 5.1 **Trainee Real Property Appraiser applications approved:** Ada Anaman, Dale Bolena, Christine Capps, Edward Dean, Trey Downey, Theresa Graham, Christopher Hammack, Patrick Hawkins, David Hayes, Jimmy Knight, Lesa Knight, Noah Marshall, Christopher Miller, William L. Moses, Deana Solfronk, Carl Wall, Cecil Young, Jr.
- 5.2 **State Registered Real Property Appraiser applications approved:** NONE.
- 5.3 **Licensed Real Property Appraiser application approved:** Charles R. Summey, Richard Whatley. **Application deferred:** Laura Podbel, Joseph A. Smith.
- 5.4 **Certified Residential Real Property Appraiser applications approved:** Amy M. Holland. **Application deferred:** Shannon M. Porter, Alan W. Simmons.
- 5.5 **Certified General Real Property Appraiser applications approved:** Christopher A. Baker, Rodney G. Clough (Recip.)(TX), Scott Tonneson (Recip.)(GA). **Application deferred:** George M. Shanahan.

At this time Mr. Parker discussed with the Board how many points should be awarded for an apartment Market Analysis. After much discussion the Board decided that the points awarded for Apartments could be awarded for a Market Analysis. However, only 25% of the total points needed can be in this category (limited appraisal).

- 6.0 Mr. Mallory gave the financial report informing the Board that we were 25% into the fiscal year and 26% into budget expenditures. Mr. Holland informed the Board there were no negative trends, which could not be reconciled at this time. On motion by Mr. Cheney and second by Mr. Stewart the Board voted to accept the financial report as read. All in favor, motion carried.
- 6.1 On motion by Mr. Cheney and second by Mr. Tillman the following education courses and instructor recommendations were approved or denied as indicated:

APPRAISAL INSTITUTE – ALABAMA CHAPTER

Initial Application:

(CE) Course 400 – National USPAP 7-Hour Update – 7 Hours – **Approved**

(Approved Instructor: O. Lonnie Tidwell)

APPRAISAL INSTITUTE – CHICAGO

Initial Application:

(CE) Course 400 – National USPAP 7-Hour Update – 7 Hours – **Approved**

COSBY APPRAISAL SERVICE, INC.

Initial Application:

(CE) USPAP/Law – 8 Hours – **Approved**
(Approved Instructor: Richard Maloy)

**COMPUTAUGHT, INCORPORATED D.B.A. APPRAISAL
WEBSCHOOL**

Initial Application:

(LIC) National USPAP Course – 15 Hours – **Approved**
(Approved Instructor: Cody Jetton)

(LIC) 75-Hour Qualifying Course – 75 Hours – **Approved**
(Approved Instructor: Cody Jetton)

INTERNATIONAL ASSOCIATION OF ASSESSING OFFICERS, IAAO

Renewals:

(LIC) Course 101 – Fundamentals of Real Property Appraisal – 30 Hours – **Approved**
(Approved Instructor: William J. Gibbs)

(LIC) Course 102 – Income Approach to Valuation – 30 Hours – **Approved**
(Approved Instructor: Joseph Hunt)

(LIC) Course 151 – National USPAP – 15 Hours – **Approved**
(Approved Instructor: Joseph Hunt)

(LIC) Course 300 – Fundamentals of Mass Appraisal – 30 Hours – **Approved
for CE ONLY**
(Approved Instructor: William J. Gibbs)

(LIC) Course 500 – Assessment of Personal Property – 30 Hours – **Approved
for CE ONLY**
(Approved Instructor: Charlie Shaub)

(CE) Course 600 – Principals and Techniques of Cadastral Mapping – 30
Hours – **Approved**
(Approved Instructor: Richard Norejko)

Initial Application:

(LIC) Course 201 – Appraisal of Land – 30 Hours – **Approved**
(Approved Instructor: Joseph Hunt)

- (LIC) Course 311 – Residential Modeling Concepts – 30 Hours – **Approved for CE ONLY**
(Approved Instructor: Joseph Hunt)

INTERNATIONAL RIGHT OF WAY ASSOCIATION, IRWA

Renewals:

- (CE) Course 200 – Principles of Real Estate Negotiation – 16 Hours – **APPROVED**
(Approved Instructor: Milton J. Johnson)

- (LIC) Course 400 – Principals of Real Estate Appraisal – 16 Hours – **Approved**
(Approved Instructor: Edmond G. Eslava, III)

Initial Application:

- (LIC) Course 800 – Principles of Real Estate Law – 16 Hours – **Approved for CE ONLY**
(Approved Instructor: Ted C. Williams)

- (CE) Course 214 – Skills of Expert Testimony – 8 Hours – **Approved**
(Approved Instructor: William B. Milton)

- (CE) Course 500 – Uniform Relocation Assistance Act – Executive Summary – 8 Hours – **Approved**
(Approved Instructor: Clyde B. Johnson)

- (CE) Course 505 – Advanced Relocation Assistance I (Residential) – 8 Hours – **Approved**
(Approved Instructor: Clyde B. Johnson)

- (CE) Course 801 – Land Titles – 16 Hours – **Approved**
(Approved Instructor: Ted C. Williams)

*Instructor seeking approval to teach previously renewed Course 100 – Principles of Land Acquisition & Course 900 – Principles of Real Estate Engineering:
(Approved Instructor: Ted C. Williams)

*Instructor seeking approval to teach previously renewed Course 406 – USPAP – 15 Hours:
(Approved Instructor: O. Lonnie Tidwell)

WCA, INCORPORATED

Renewals:

- (CE) The Modern Appraisal Office – 14 Hours – **Approved**
(Approved Instructor: L. Wendell Hahn & Mark E. Wilson)

All in favor, motion carried.

The Board reviewed the following disciplinary reports, which were included in their books. **AB-01-28:** On December 13, 2002, the Board issued an Order to **Richard D. Israel, R00457**, a Certified Residential Real Estate Appraiser. Terms of the Order include a suspension period of 12 months of the appraiser's license, and proof of successful completion of a 15-hour USPAP course with exam. After reinstatement, Licensee must submit to the Board a log of all appraisals completed by him each month for sample review.

AB-02-39: On December 14, 2002, **Samuel E. Gellerstedt, R00450**, a Certified Residential Real Property Appraiser, signed a Consent Settlement Order in connection with the appraisal of a single-family residential property. Terms of the settlement included a public reprimand and payment of a \$1,500 administrative fine. The discrepancies identified in the report include: Licensee's utilization of comparables outside of the subject's neighborhood and inconsistent adjustments made and/or omitted in the Sales Comparison Approach, with no explanation, resulted in the communication of a misleading appraisal report. The property location is rural. Location adjustments for comparables sales in upper bracket suburban neighborhoods in Montgomery are omitted. The Montgomery neighborhoods do not compete with the subject neighborhood. In the Cost Approach, Licensee failed to address the subject's super adequacy resulting from the Subject GLA greater than 6000 square feet when the average GLA for the subject's immediate neighborhood is approximately 2000 sf. Licensee used excellent quality custom built residences as comparable sales to the subject which the owner described under oath as "Jim Walter type construction" and did not make adjustments for the differences in design and appeal, quality of construction and construction materials, location, and functional utility. Licensee reported that subject residence had central heat and air conditioner when he had knowledge that the system was not installed and at the time, window air conditioner units as wall space heaters were installed in the house. Licensee signed the report as the supervisor of a Trainee and disclosed he did not inspect the property. The following USPAP, (1999 Ed.) standards were violated: Ethics Rule-Conduct, Competency Rule. Also violated was §34-27A-20(a)(9), Code of Alabama, 1975.

AB-02-49: On November 14, 2002, **Marcus Herring, T00897**, a Trainee Real Property Appraiser, signed a Consent Settlement Order in connection with the appraisal of a single-family residential property. Terms of the settlement included a public reprimand, a ninety-day license suspension, and payment of a \$2,000 administrative fine. The discrepancies identified in the report include: Statements made in the Comments section and Reconciliation section of the report about completion of the property were not accurate in that remodeling of the lower floor had not begun and workmen were present completing the upstairs addition. Licensee signed the report and certified that he had made an interior and exterior inspection of the property. Licensee failed to provide the Board with the work file required to be kept with each appraisal after requests by the Board on July 25, 2002 and August 8, 2002 and complied with the request for the appraisal on October 4, 2002. The following USPAP, (2002 Ed.) standards were violated: Ethics Rule-Conduct. Also violated was §34-27A-20(a)(5), §24-27A-20(a)(9), §34-27A-20(a)(15), Code of Alabama, 1975.

AB-02-52: On November 14, 2002, **William E. Brasher, R00347**, a Certified Residential Real Property Appraiser, signed a Consent Settlement Order in connection with the appraisal of a single-family residential property. Terms of the settlement included a public reprimand, a sixty-day license suspension with 15 days stayed, and payment of a \$2,000 administrative fine. The discrepancies in the report included: Statements made in the Comments section and Reconciliation section of the report about completion of the property were not accurate in that remodeling of the lower floor had not begun and workmen were present completing the upstairs addition. Licensee signed the report as the supervisor of a trainee appraiser after a personal inspection of the exterior of the property. Licensee failed to provide the Board with the work file required to be kept with each appraisal after requests by the Board on July 25, 2002 and August 8, 2002 and complied with the request for the appraisal on October 4, 2002. The following USPAP, (2002 Ed.) standards were violated: Ethics Rule-Conduct. Also violated was §34-27A-20(a)(5), §34-27A-20(a)(9), §34-27A-20(a)(15), Code of Alabama, 1975.

Mr. Holland discussed with the Board the investigative status charts and noted we were still under a 100 complaints on hand.

6.2.1

The Board reviewed Probable Cause Report AB-00-95. On motion by Mr. Cheney and second by Mr. Tillman the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-64. On motion by Mr. Tillman and second by Mrs. Mardis the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-100. On motion by Mr. Parker and second by Mr. Martin the Board voted to defer this item until next month. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-101. On motion by Mr. Martin and second by Mrs. Mardis the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Reports AB-03-01 and AB-02-102 (Companion Case). On motion by Mr. Martin and second by Mr. Cheney the Board voted that probable cause did exist not exist and to follow the investigators recommendation to dismiss. All in favor, motion carried.

The Board reviewed Probable Cause Reports and Recommended Disposition on AB-02-102 and AB-03-01. On motion by Mr. Mallory and second by Mr. Martin the Board voted that probable cause did exist and to follow investigators recommendation and issue a Letter of Warning. All in favor, motion carried.

The Board reviewed Probable Cause Report and Recommended Disposition on AB-03-04. On motion by Mr. Martin and second by Mr. Mallory the Board

voted that probable cause did exist and to follow investigators recommendation and issue a Letter of Counsel. After much discussion that motion was withdrawn and another motion was made by Mr. Martin and second by Mr. Mallory that probable cause did not exist and to dismiss. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-03-05. On motion by Mr. Tillman and second by Mr. Cheney the Board voted that probable cause did exist and to follow investigators recommendations and proceed with formal investigation. All in favor, motion carried.

The Board reviewed Board Initiated Complaint Request and Probable Cause Summary on AB-03-12. On motion by Mr. Cheney and second by Mrs. Mardis the Board to initiate complaint. All in favor with Mr. Tillman abstaining, motion carried. On motion by Mr. Cheney and second by Mr. Stewart the Board voted that probable cause did exist and to follow investigators recommendation and proceed with formal investigation. All in favor with Mr. Tillman abstaining, motion carried.

The Board reviewed Probable Cause Report AB-03-17. On motion by Mr. Parker and second by Mrs. Mardis the Board voted to defer. All in favor, motion carried.

6.2.2 The Board reviewed Anonymous Complaint. On motion by Mr. Cheney and second by Mr. Tillman the Board voted to initiate Board investigation. All in favor, with Mr. Carter abstaining, motion carried.

6.2.3 The Board reviewed Consent Settlement Order AB-00-12, AB-00-72, AB-00-87, AB-00-90, AB-01-45, AB-01-90, AB-01-91, AB-02-10, and AB-02-57. On motion by Mr. Cheney and second by Mr. Carter the Board voted to approve the settlement orders. All in favor, motion carried.

At 12:55 p.m. Mr. Parker turned the meeting over to Mrs. Mardis, Vice-Chairman.

6.3 No reciprocal agreements to report since last meeting.

6.4 The following reciprocal licenses were issued since last Board meeting: Rodney G. Clough (TX)(G), Scott Tonneson (GA)(G).

7.0 The temporary permit report was provided to the Board for their information.

8.0 Mr. Holland informed the Board that as of December 12, 2002 94% of the appraisers have renewed their licenses.

Mr. Holland included in the Board books Appraisal Foundation correspondence for their information.

Mr. Holland included in the Board books information from Realty Times regarding HUD.

Mr. Holland included in the Board books the appointment letter of Mr. Frederick Crochen and the reappointment letter of Mr. Gary Carter.

Mr. Holland included in the Board books a copy of the State Regulator from the Appraisal Foundation updating the New National USPAP Educational Requirements.

Mr. Holland included in the Board books a copy of the new Trainee/Supervisor Registration form and instructions for completion for their information.

Mr. Holland included in the Board books articles regarding online degree programs for Board information.

Mr. Holland also included in the Board books a memo from AQB regarding USPAP qualifying education courses taken prior to January 1, 2003.

Mr. Holland discussed with the Board an AARO e-mail indicating that the next conference would be in New Orleans, LA on April 12-15, 2003. He asked for a show of hands of those interested in attending. Those interested are Mrs. Mardis, Mr. Tillman and Mr. Mallory.

9.0 Meeting adjourned at 1:05 p.m.

Sincerely,

Lisa Brooks
Executive Secretary

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APPROVED: _____
Ronald Parker, Chairman